

FISCAL NOTE

Bill #: SB0371

Title: Revise the definition of "facility" under the major facility siting act

Primary

Sponsor: Ken Toole

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
Expenditures:		
General Fund	27,400	25,650
State Special Revenue	27,400	25,650
Revenue:		
State Special Revenue	27,400	25,650
Net Impact on General Fund Balance:	(\$27,400)	(\$25,650)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached		X	Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

Department of Environmental Quality

1. Current workloads will continue for existing facilities that have been certified under the current Major Facility Siting Act (MFSA) laws.
2. Because of the change in the definition of a facility, there will be an increase in the number of projects that will be covered under MFSA.
3. The emission triggers apply to all industrial sites and plants (e.g. refineries) that emit air pollutants within the parameters of 75-20-104(8)(a)(vi and vii), MCA.
4. Due to expected high costs of energy, large companies such as mining and manufacturing companies are seeking alternative, on site power sources. Based on applications Air and Waste Management Bureau has received and discussions Environmental Management Bureau has had with mining companies in the state, it is estimated that there will be ten to twelve additional sites or facilities proposed in each of the upcoming fiscal years.

(continued)

5. An existing site or plant, currently operating that did not trigger MFSA when it was built, does not hold a MFSA certificate. These existing sites and potential expansions on these sites are grandfathered and thus will not be required to go through the MFSA review and certification process.
6. Additional pre-application inquiries will be raised by the regulated community and an increase in the amount of pre-application consultation required will be funded with general fund.
7. When an application is received for a MFSA project, the DEQ must comply with MEPA. When this is the case, the filing fee under MFSA would be used instead of the MEPA filing fee to pay the costs of preparation of any environmental documents.
8. One additional FTE at a grade 15 will be required to accommodate the pre-application consultation and the preparation of the subsequent environmental assessment after application.
9. The additional FTE time will be split between general fund and MFSA fees depending on whether the FTE is working on pre or post-application work.
10. Operating expenses are estimated to be \$17,243 in FY 2002 and \$13,743 in FY 2003. These numbers are based on a 24% indirect cost, \$742 for phone charges, \$2505 in rent, and \$1482 for network charges. These numbers were calculated by using MFSA expenditures in FY 2000. The additional costs in FY 2002 are for a new computer (\$2000) and office set up (\$1500). Travel is not included in the cost estimate because it is difficult to determine the distances and amount of travel that will be incurred. However, travel would be billed towards the MFSA fees collected to complete the environmental analysis.
11. Potential additional costs for contracted services that would be necessary to complete the review and certification are not factored into the fiscal impact. These costs would be passed on to the applicant through MFSA fees.

FISCAL IMPACT:

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
FTE	1.00	1.00
<u>Expenditures:</u>		
Personal Services	37,557	37,557
Operating Expenses	<u>17,243</u>	<u>13,743</u>
TOTAL	\$54,800	\$51,300
<u>Funding:</u>		
General Fund (01)	27,400	25,650
State Special Revenue (02)	<u>27,400</u>	<u>25,650</u>
TOTAL	\$54,800	\$51,300
<u>Revenues:</u>		
State Special Revenue (02)	\$27,400	\$25,650
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	(\$27,400)	(\$25,650)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

MFSA supercedes many local regulations (75-20-103 and 75-20-401, MCA). After the issuance of a MFSA certificate, most other local permits are not required. The bill may reduce the number of local permitting actions. Among these local permits are stream crossing permits, permits for sanitary facilities, zoning regulations, and building permits.